

House Study Bill 42 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON GRASSLEY)

A BILL FOR

1 An Act relating to the corn promotion board by providing for
2 its governance, providing for an assessed checkoff on corn,
3 and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 185C.1, Code 2013, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4A. "*Director*" means a district elected
4 director or a board elected director as provided in section
5 185C.6.

6 Sec. 2. Section 185C.1, subsection 5, Code 2013, is amended
7 to read as follows:

8 5. "*District*" means an official crop reporting district
9 formed by the United States department of agriculture for use
10 on January 1, 2013, and set out in the annual farm census
11 published in that year by the Iowa department of agriculture
12 and land stewardship.

13 Sec. 3. Section 185C.3, Code 2013, is amended to read as
14 follows:

15 **185C.3 Establishment of corn promotion board.**

16 If a majority of the producers voting in the referendum
17 election approve the passage of the promotional order, an Iowa
18 corn promotion board shall be established. ~~The board shall~~
19 ~~consist of one director elected from each district in the~~
20 ~~state, except that a district producing more than an average~~
21 ~~of one hundred million bushels of corn in the three previous~~
22 ~~marketing years is entitled to two directors.~~

23 Sec. 4. Section 185C.6, Code 2013, is amended by striking
24 the section and inserting in lieu thereof the following:

25 **185C.6 Number and election of directors.**

26 The Iowa corn promotion board established pursuant to
27 section 185C.3 shall be composed of directors elected as
28 provided in this chapter. The directors shall include all of
29 the following:

30 1. Nine district elected directors. Each such director
31 shall be elected from a district as provided in section 185C.5,
32 this section, and sections 185C.7 and 185C.8. A candidate
33 receiving the highest number of votes in each district shall be
34 elected to represent that district.

35 2. Three board elected directors. Each such director shall

1 be elected by the board. The candidate receiving the highest
2 number of votes by the board shall be elected to represent the
3 state on at-large basis.

4 Sec. 5. Section 185C.7, Code 2013, is amended to read as
5 follows:

6 **185C.7 Terms of directors.**

7 1. Director terms A director's term of office shall be for
8 three years ~~and no.~~ A district elected director of the board
9 shall not serve for more than three complete consecutive terms.
10 A board elected director shall not serve for more than one
11 complete term of office. A district elected director who is
12 elected as board elected director shall not serve more than a
13 total of four terms of office, regardless of whether any of the
14 terms of office are complete or consecutive.

15 2. If the board is reconstituted pursuant to section 185C.8,
16 the terms of the directors shall be controlled by this section.
17 However, the initial terms of the reconstituted board shall
18 be staggered. To the extent practicable, one-third of the
19 elected directors shall serve an initial term of one year,
20 one-third of the elected directors shall serve an initial term
21 of two years, and one-third of the elected directors shall
22 serve an initial term of three years. The initial terms of
23 board elected directors shall be determined by board members
24 directors drawing lots. ~~The board elected under this paragraph~~
25 ~~shall not contain two directors from the same district serving~~
26 ~~the same term.~~

27 Sec. 6. Section 185C.8, Code 2013, is amended to read as
28 follows:

29 **185C.8 Elections Administration of elections for directors.**

30 1. The Iowa corn promotion board shall administer elections
31 for district elected directors of the board with the assistance
32 of the secretary. Prior to the expiration of a director's
33 term of office, the board shall appoint a nominating committee
34 for the district represented by that director. The nominating
35 committee shall consist of five producers who are residents

1 of the district from which a director must be elected. The
2 nominating committee shall nominate two resident producers as
3 candidates for each director position for which an election
4 is to be held. Additional candidates may be nominated by
5 a written petition of twenty-five producers. Procedures
6 governing the time and place of filing shall be adopted and
7 publicized by the board.

8 Following recommencement of the promotional order,
9 or termination of the promotional order's suspension as
10 provided in section 185C.24, the secretary shall order the
11 reconstitution of the board. An election of district elected
12 directors shall be held within thirty days from the date of the
13 order. The secretary shall call for, provide for notice of,
14 conduct, and certify the results of the election in a manner
15 consistent with section 185C.5 through 185C.7. Directors shall
16 serve terms as provided in section 185C.7. Rules or procedures
17 adopted by the board and in effect at the date of suspension
18 shall continue in effect upon reconstitution of the board.
19 The Iowa corn growers association may nominate two resident
20 producers as candidates for each director position. Additional
21 candidates may be nominated by a written petition of at least
22 twenty-five producers.

23 2. The Iowa corn promotion board shall administer elections
24 for board elected directors. Prior to the expiration of a
25 board elected director's term of office, the board may appoint
26 a nominating committee. In order to be eligible for nomination
27 and election, a candidate must have previously served on the
28 board as an elected director. An officer of the board shall
29 certify the results of the election.

30 Sec. 7. Section 185C.10, subsection 3, Code 2013, is amended
31 by striking the subsection.

32 Sec. 8. Section 185C.14, subsection 3, Code 2013, is amended
33 to read as follows:

34 3. The board shall meet at least ~~once every~~ three months
35 times each year, and at such other times as deemed necessary

1 by the board.

2 Sec. 9. Section 185C.21, subsection 2, Code 2013, is amended
3 to read as follows:

4 2. Upon request of the board, the secretary shall call
5 a special referendum for producers to vote on whether to
6 authorize an increase in the state assessment above one-quarter
7 of one cent per bushel, notwithstanding subsection 1. The
8 special referendum shall be conducted as provided in this
9 chapter for referendum elections. However, the special
10 referendum shall not affect the existence or length of the
11 promotional order in effect. If a majority of the producers
12 voting in the special referendum approve the increase, the
13 board may increase the assessment to the amount approved in
14 the special referendum. ~~However, a state assessment shall not
15 exceed one cent per bushel of corn marketed in this state.~~

16 Sec. 10. Section 185C.27, Code 2013, is amended to read as
17 follows:

18 **185C.27 Refund of assessment.**

19 A producer who has sold corn and had a state assessment
20 deducted from the sale price, by application in writing to
21 the board, may secure a refund in the amount deducted. The
22 refund shall be payable only when the application shall have
23 been made to the board within sixty days after the deduction.
24 Application forms shall be given by the board to each first
25 purchaser when requested and the first purchaser shall make the
26 applications available to any producer. Each application for
27 refund by a producer shall have attached to the application
28 proof of the assessment deducted. The proof of assessment
29 may be in the form of a duplicate or certified copy of the
30 purchase invoice by the first purchaser. The board shall have
31 thirty business days from the date the application for refund
32 is received to remit the refund to the producer. The board
33 may provide for refunds of a federal assessment as provided by
34 federal law. Unless inconsistent with federal law, refunds
35 shall be made under section 185C.26.

1 producing more than an average of 100,000,000 bushels of corn
2 in the prior marketing year is entitled to elect two directors
3 (Code section 185C.3). A director cannot serve for more than
4 three complete consecutive terms (Code section 185C.7). The
5 board must meet once every three months (Code section 185C.14).

6 Currently, 17 directors serve on the board. In addition,
7 there are four ex officio, nonvoting members, including
8 the secretary of agriculture, the dean of the college of
9 agriculture and life sciences of Iowa state university
10 of science and technology, the director of the economic
11 development authority, and two representatives of first
12 purchaser organizations (Code section 185C.10).

13 BILL — ORGANIZATION OF DISTRICTS. The bill provides that
14 the nine districts are to be organized based on the crop
15 reporting districts formed by the United States department of
16 agriculture for use on January 1, 2013.

17 BILL — CHANGE IN BOARD GOVERNANCE. The bill provides that
18 12 directors are to be elected to the board. Each of nine
19 districts are to be represented by one director. In addition
20 three directors are to be elected by the board to serve at
21 large. A board elected director must have served as a district
22 elected director. A board director so elected cannot serve
23 more than a total of four terms in office regardless of whether
24 any of the terms are complete or consecutive.

25 The bill removes the director of the economic development
26 authority as an ex officio member.

27 BILL — MEETING TIMES. The bill provides that the board
28 must meet at least three times a year rather than every three
29 months.

30 BILL — ASSESSMENTS. The bill eliminates the maximum one
31 cent per bushel assessment rate. Any increase in the current
32 assessment rate would have to still be accomplished by a
33 special referendum of producers. The bill provides that the
34 board now has 30 business days in order to satisfy a producer's
35 request for a refund.

1 BILL — IMPLEMENTATION. The board is responsible for
2 implementing the provisions of the bill, including by providing
3 for staggered terms of its directors notwithstanding any
4 applicable procedures in the Code chapter to the contrary. The
5 board must complete its implementation by July 1, 2014.

6 BILL — EFFECTIVE DATE. The bill takes effect upon
7 enactment.